

Message Text

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PAGE 01 BUENOS 02650 101556Z
ACTION MMO-02

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 /091 W
-----070998 102353Z /64
R 101521Z APR 78
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 5249

LIMITED OFFICIAL USE BUENOS AIRES 2650

E.O. 11652: N/A
TAGS: EFIN, ECRP, AR
SUBJECT: CERP 0102 -- 1978 BALANCE OF PAYMENTS FOR ARGENTINA

1. ON A CONFIDENTIAL BASIS, EMBASSY HAS OBTAINED LATEST BALANCE OF PAYMENTS PROJECTIONS FOR 1978 PREPARED BY THE CENTRAL BANK. THE BREAKDOWN IN MILLIONS US DOLLARS BY QUARTER AND FULL-YEAR IS THE FOLLOWING:

	QUARTERS				FULL-YEAR	
	I	II	III	IV		
CURRENT ACCOUNT			245	341	325	-35 876
MERCHANDISE BALANCE			241	326	274	-66 775
(A) EXPORTS		1181	1458	1437	1099	5175
(B) IMPORTS		-940	-1132	-1163	-1165	-4400
NON-COMPENSATORY						
CAPITAL MOVEMENTS			1124	203	119	249 11695
INTERNATIONAL						
PAYMENTS		1369	544	444	214	2571
(1) RESERVE		-1120	-262	-273	-89	-1744
VARIATION(-: INCREASE)						
(2) COMPENSATORY						
MOVEMENTS		-249	-282	-171	-125	-827

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PAGE 02 BUENOS 02650 101556Z

2. COMMENT: THE PROJECTIONS CLEARLY SHOW THAT ARGENTINA'S RESERVES WILL RISE SUBSTANTIALLY IN 1978, BOTH AS A RESULT OF A TRADE SURPLUS AND A SIZABLE CAPITAL INFLOW. THIS PROJECTION IS A MIXED BLESSING. ARGENTINA ALREADY HAS RESERVES EXCEEDING ONE YEAR'S IMPORTS AND HAS NO NEED TO INCREASE THEM ANY FURTHER. MOREOVER, THE BUILD UP OF RESERVES WILL HAVE

EXPANSIONARY IMPACT ON THE DOMESTIC MONEY SUPPLY AND THEREFORE
GENERATE INFLATIONARY PRESSURES.
CASTRO

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CERP 0102, ECONOMIC REPORTS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUENOS02650
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Drafter: n/a
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Litigation Codes:
Litigation History:
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Message ID: a49baab3-c288-dd11-92da-001cc4696bcc
Office: ACTION MMO
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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